

HOUSE BILL 170

By McCormick

AN ACT to amend Tennessee Code Annotated, Title 71,
Chapters 1, 3 and 5, relative to the department of
human services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-1-105(a), is amended adding the
following language as a new appropriately designated subdivision:

(16) Conduct investigations, which shall include, but not be limited to,
investigation into the existence of:

(A) Trafficking in, or fraud involving, the food assistance program
administered by the department pursuant to title 71, chapter 5, part 3;

(B) Fraud, abuse, theft, misappropriation, or misuse of property, funds, or
services by any person or entity in any program administered by the department;
and,

(C) Misconduct by any employee, contractor, or agent of the department
concerning or related to the operation of any department program or any laws,
regulations or policies governing the department's operations.

(17)

(A) Establish rules, policies, and procedures as required by Section
408(a) of the Social Security Act (42 U.S.C. 608 (a)(12)) as amended by P.L.
112-96 HR 3630, Feb. 22, 2012, Middle Class Tax Relief and Job Creation Act of
2012, that are necessary to prevent public assistance benefits administered by
the department pursuant to title 71, chapter 3, part 1, from being used in any
electronic benefit transfer transaction in:

(1) Any liquor store;

(2) Any casino, gambling casino, or gaming establishment; or

(3) Any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

(B) Definitions:

(1) "Liquor Store" means any retail establishment which sells exclusively or primarily intoxicating liquor. Liquor store does not include a grocery store which sells both intoxicating liquor and groceries, including staple foods (within the meaning of section 3(r) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(r))).

(2) The terms "casino", "gambling casino", and "gaming establishment" do not include-

(a) A grocery store which sells groceries, including staple foods and which also offers, or is located within the same building or complex as, casino, gambling, or gaming activities; or

(b) Any other establishment that offers casino, gambling, or gaming activities incidental to the principal purpose of the business.

(C) The term "electronic benefit transfer transaction" means the use of a credit or debit card service, automated teller machine, point-of-sale terminal, or access to an online system for the withdrawal of funds or the processing of a payment for merchandise or a service.

SECTION 2. Tennessee Code Annotated, Section 71-5-314, is amended by adding the following language as a new, appropriately designated subsection:

(i)

(1) In addition to any criminal provisions provided by this section, the department is authorized to address intentional program violations or

overpayments in the food assistance program through any administrative means, including, but not limited to, settlement of such violations or overpayments by a written agreement with recipients or by the provision of administrative hearings pursuant to the Uniform Administrative Procedures Act in title 4, chapter 5, part 3 and federal regulations.

(2) The department is authorized to initiate legal action to collect all overpayments and all payments made due to intentional program violations or fraud in the food assistance program.

SECTION 3. Tennessee Code Annotated, Section 71-3-110, is amended by deleting the section in its entirety and substituting instead the following language:

(a) The commissioner of human services has the authority to establish a system for distribution of any benefits provided by this part, or under the continued provisions of federal law and regulations as provided under § 71-3-108, by means of electronic benefits transfer system and to contract with public or private entities to provide any services necessary to carry out such provision as the commissioner shall determine is appropriate.

(b) The distribution of benefits by means of electronic benefits transfer system (EBT) shall include the establishment and implementation of rules, policies and procedures as required by Section 408(a) of the Social Security Act (42 U.S.C. 608 (a)(12)) as amended by P.L. 112-96 HR 3630, Feb. 22, 2012, Middle Class Tax Relief and Job Creation Act of 2012, that are necessary to prevent public assistance benefits administered by the department pursuant to title 71, chapter 3, part 1, from being used in any electronic benefit transfer transaction in violation of such Act as specified in § 71-1-105(17).

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.